

CLEVELAND PUBLIC ECONOMY  
BUSINESS INC. BUREAU  
CORPORATION FILE



# W. T. GRANT COMPANY

## ANNUAL REPORT 1960

## 864 W. T. GRANT STORES IN 43 STATES



## THE W. T. GRANT COMPANY— a brief description

Starting with one store at Lynn, Mass. in 1906, the Company, on January 31, 1961, operated 864 general merchandise stores in 43 states.

The stores are family type stores, selling merchandise lines for women, for men, for children, and for the home. Prices generally range up to \$5, but with some items ranging in prices up to and even above \$100.

While most sales are for cash, credit service, including the charge account type, is available in all stores.

In 1960, total Company sales were \$512,687,000, or an average of \$593,000 per store.

The 1960 sales registered a new all-time high for a year, and exceeded the \$500 million mark for the first time. Except for 1932, 1938, and 1949, the Company has had a sales increase every year in its 54 year history.

The Company has earned a profit and has paid dividends in every year of its history.

One historical characteristic of the Company is that it has a lower profit margin than many other retailers. This is accounted for by the preponderance of

lower profit margin textile lines built into its merchandise mix. Its success depends on producing more dollars of profit on a growing level of sales at its own historical profit margins.

The Company is maintaining a steady program of expansion. In recent years, the program has been directed almost entirely to leased shopping center stores that offer retailing opportunities in the suburbs. At the last year end, 417 of its 864 stores were in shopping centers.

The Company employs 39,000 people on a year round basis, with a peak of approximately 49,000 in December.

Its outstanding 150,000 shares of 3¾% preferred stock are held by 755 stockholders, and its 5,755,526 shares of common stock are held by 12,914 stockholders.

In addition to its domestic operations, the Company owns 51% of the common stock of Zeller's Ltd., a Canadian chain operating 80 stores similar to Grant stores, with 1960 sales of \$56,995,000 and net earnings of \$2,149,000. Zeller's Ltd. also has a steady expansion program under way.

# W. T. GRANT COMPANY

Founded in **1906** at Lynn, Mass. Executive and Buying Offices . . . 1441 Broadway, New York 18, N. Y.

## DIRECTORS

WILLIAM T. GRANT  
*Chairman*

EDWARD STALEY  
*Vice Chairman*

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JOSEPH W. CHINN

HOWLAND S. DAVIS

RAYMOND H. FOGLER

JOHN D. GRAY

THOMAS P. JERMAN

ALBERT E. KELLY

M. F. KETZ

PETER KILBURN

J. LUTHER KNIES

LOUIS C. LUSTENBERGER

CLARENCE J. MYERS

DR. CHARLES F. PHILLIPS

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*Financial Vice President  
and Comptroller*

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*Store Expansion Vice President*

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*Store Management Vice President*

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*Southern Regional Vice President*

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*Secretary*

RICHARD W. MAYER  
*Treasurer*

ROBERT J. KELLY  
*Assistant Secretary*

ROSALIE A. MULFORD  
*Assistant Treasurer*

ALLAN E. LOMEN  
*Assistant Comptroller*

*Transfer Agent: MORGAN GUARANTY TRUST COMPANY OF NEW YORK*

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# THE STORY IN BRIEF

Year ended January 31,

	1961	1960
Sales . . . . .	\$512,686,823	\$479,997,477
Net earnings . . . . .	\$ 9,198,133	\$ 12,257,940
Per common share . . . . .	\$1.50	\$2.06*
Dividends paid per preferred share . . . . .	\$3.75	\$3.75
Dividends paid per common share . . . . .	\$1.20*	\$1.10*
Total dividends paid . . . . .	\$ 7,428,896	\$ 6,623,670
Earnings retained in the business . . . . .	\$ 1,769,237	\$ 5,634,270
Depreciation and amortization . . . . .	\$ 6,262,568	\$ 5,915,020
Merchandise inventories . . . . .	\$ 96,243,818	\$ 86,089,840
Working capital . . . . .	\$ 83,916,035	\$ 82,907,468
Net fixed assets . . . . .	\$ 41,174,330	\$ 39,239,124
Expansion program—fixed asset expenditures . . . . .	\$ 7,995,000	\$ 7,470,000
Employee compensation and benefits . . . . .	\$102,702,763	\$ 92,612,052
Cents per sales dollar . . . . .	20.0¢	19.3¢
Book value common stock—per share . . . . .	\$20.98	\$20.70*
Common shares outstanding—year end . . . . .	5,755,526	5,687,986*
Number of preferred stockholders . . . . .	755	740
Number of common stockholders . . . . .	12,914	11,634
Number of stores at year end . . . . .	864	801

\*Adjusted for 2 for 1 common stock split of April 1960

# W. T. GRANT COMPANY

1441 Broadway, New York 18, N. Y.

## *To the Stockholders:*

This is our fifty-fourth annual report. It covers the fiscal year ended January 31, 1961.

### **SALES**

Sales for the year reached the new high of \$512,686,823, which was \$32,689,346, or 6.8% above 1959. This is the first year in our history when sales exceeded a half-billion dollars.

Credit sales, which were unusually good in 1960, totalled \$62,386,436, an increase of 38.4% over 1959.

Shopping center stores accounted for 45% of the Company's sales, compared to 39% in 1959.

### **EARNINGS**

The 1960 net earnings were \$9,198,133 which, after preferred dividends, equalled \$1.50 per share on 5,755,526 shares of common stock outstanding at the year end.

For 1959, net earnings were at the all-time high of \$12,257,940, or \$2.06 per share on 5,687,986 shares of common stock, adjusted for the 2 for 1 split of common stock in April 1960.

The lower 1960 net earnings reflect higher labor costs, including social security taxes; increased sales promotion costs, such as advertising and price reductions brought on by an unusually competitive year; and the lower sales trend in various areas that experienced declining economic conditions. Sales and earnings were also adversely affected by the severe December and January snow storms in the northeast section

of the country where the Company has so many of its stores.

### **DIVIDENDS**

In 1960, the Company paid regular dividends of \$3.75 per share on the preferred stock and regular dividends of \$1.20 per share on the common stock. In 1959, the same amount was paid on the preferred stock, and \$1.10 per share on the common stock, after giving effect to the 2 for 1 common stock split in April 1960.

The 1960 increase in common stock dividends was the fourth increase since 1954 when the dividend was at the annual rate of 75 cents per share, adjusted for the 2 for 1 common stock split in April 1960.

The Company, in 1960, continued its record of earning a profit and paying dividends on its common stock in every year since its beginning in 1906.

### **NEW STORES**

During the year, the Company opened 78 new stores, including 77 in shopping centers. It closed 15 downtown stores, as leases expired. At the year end, there were 864 stores in operation, compared to 801 a year ago.

■ ■ ■

Although we expect 1961 to be even more challenging and competitive than 1960, we are confident that we will have a satisfactory performance for the year during which we will continue our steady program of expansion.

For their continued help and interest, we are grateful to our customers, employees, and suppliers. At this time, we also wish to extend a welcome to all new stockholders of the Company.

Chairman of the Board

Vice Chairman of the Board

President

April 3, 1961

# FINANCIAL COMMENTS

## Financial Position

The Company remains in excellent financial position as it enters 1961. It had no bank loans or long-term debt outstanding at the year end. It has no present plans for new financing.

## Working Capital

Working capital, at the year end, was \$83,916,035, an increase of \$1,008,567 over \$82,907,468 at the end of 1959.

## Merchandise Inventories

Merchandise inventories, at the year end, in stores, warehouses, and in transit, totalled \$96,243,818, or \$10,153,978 above last year.

The increase is principally accounted for by new and enlarged stores. Inventories are in good relationship to planned sales.

Store managers who are responsible for merchandising their individual stores controlled inventories well, especially towards the end of the year when slower sales trends made this a most important management task.

Inventory control is one of our most important management tasks. Through better ordering alone, it provides opportunities to conserve cash, to operate with lower price reductions and lower inventory handling costs and shortages, at a higher level of sales, all of which materially help the Company to better manage its working capital.

## Common Stockholders' Equity

Common stockholders' equity at the year end was \$121,428,486 compared to \$118,348,314 at the end of 1959.

The book value per share of common stock was \$20.98 at the year end, compared to \$20.70 at the end of 1959, adjusted for the 2 for 1 common stock split in April 1960.

## Credit

In 1960, credit sales reached a new high. They totalled \$62,386,436, which is 38.4% above 1959. Credit sales in 1960 accounted for 12.1% of total Company sales, compared to 9.4% in 1959.

The increase in 1960 was principally accounted for by the adoption of a 30-day charge account plan in addition to the budget plans previously in effect. At the year end, there were approximately 647,000 credit accounts, compared to 535,000 at the end of 1959.

Installment receivables from customers were \$40,041,261, of which \$39,229,521 had been sold to banks. Last year, receivables totalled \$26,738,654, of which \$24,405,368 had been sold at the year end.

Interest paid on receivables sold to banks, and on seasonal bank loans and sales of short term notes, totalled \$1,518,260 in 1960, which compares with \$1,055,401 in 1959. During the year, the Company increased interest earned by investing excess cash in short term securities.

## Employees' Stock Purchase Plan

Stockholders, at their meeting on April 26, 1960, authorized 400,000 shares for the present plan. Of this total, offers covering 298,700 shares were made to 1,708 employees. At the year end, 236,735 of the shares offered were under contract.

The present plan, and the former one that expired on May 1, 1960, are similar in that they are stock purchase plans whereby shares are offered at approximate market prices to a wide group of employees.

During the year, employees paid \$1,496,795 on their accounts, which continues to be a source of working capital and expansion funds for the Company. During the year, 72,140 shares were fully paid up and issued to employees under both plans.

## Employees' Retirement Plan

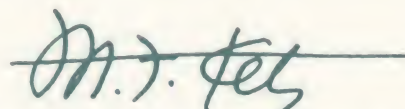
This plan, to which employees and the Company contribute, continued its growth during the year. Following is a listing of the assets at the end of the past two fiscal years of the plan:

	<u>June 30, 1960</u>	<u>June 30, 1959</u>
Cash . . . . .	\$ 168,830	\$ 207,436
Investments at cost:		
Bonds and notes . . . . .	22,625,615	19,488,924
Preferred stocks . . . . .	2,025,293	2,504,472
Common stocks . . . . .	13,041,018	12,464,264
Total investments . . . . .	<u>\$37,691,926</u>	<u>\$34,457,660</u>
Sundry receivables . . . . .	377,734	324,408
Total assets . . . . .	<u>\$38,238,490</u>	<u>\$34,989,504</u>

The approximate market value of the investments was \$42,512,695 at June 30, 1960, compared to \$38,913,575 at June 30, 1959.

During the plan's fiscal year ended June 30, 1960, the number of members increased from 10,587 to 11,266, and the number of retired members increased from 511 to 586.

In 1960, the Company's contribution to the plan was \$907,894 compared to \$1,071,108 in 1959. Employees' contributions in 1960 were \$1,047,599 compared to \$926,535 in 1959.



Financial Vice President and Comptroller

# MERCHANDISING DEVELOPMENTS

## *Merchandise Expansion*

The year 1960 saw Grant's forging ahead in its program of becoming the Complete Family Store in non-food lines, in communities it serves.

To better serve its customers, expanded assortments in many lines of merchandise were added. This included items for family recreation and for the home, such as: Sporting Goods, Cameras and Photographic Supplies, TV Sets, Radios and Phonographs, Sewing Machines, Table Appliances, Power Tools, Paint Products and Home Improvement Items, Furniture, Rugs and Carpeting, Curtains and Draperies, Typewriters, Clocks, Watches and Giftware. Expansion also continued in our fashion and softline merchandise.

Although smaller stores were unable to present all these expanded lines, because of space limitations, they supplemented their merchandise assortments by the use of Grant's Order Catalog in which most of the expanded lines are available.

During the year, we increased the number of outdoor sales areas adjacent to shopping center stores to 62. Here we were able to offer expanded lines of Horticulture, Gardening Supplies, Outdoor Furniture, Outdoor Cooking Equipment, Outdoor Gyms, and Wading Pools.

## **MERCHANDISING METHODS**

In 1960, strides were made to maintain better balanced stocks of Wearing Apparel in more stores by Automatic Replenishment programs. Complete lines of Infants' Shoes and Coats; Misses' Dresses; Women's Slacks, Blouses, Suits, Coats, and Half-size Dresses were added to the program.

Use of leased trucking facilities from Company

Distributing Centers were expanded to more stores. This operation offers better delivery service and the opportunity to keep increasing transportation costs at a minimum. Currently, 352 stores share the use of this program.

## **ADVERTISING AND PROMOTION**

Grant's improved "National Sales Program", started last year with weekly promotions by all stores, was very effective. It included the development of group advertising programs, now in 81 major Grant trading areas. While directed from the home office, the programs provide flexibility whereby respective store groups adapt them for the most effective local impact.

## **THE COMING YEAR**

Expansion of existing and new lines of merchandise will continue. A major example is the introduction in February 1961, in 138 selected stores, of a new private brand line of "Bradford" Refrigerators, Freezers, Washers, and Dryers. These are top quality and competitively priced items.

Private brand merchandise development will continue in new and existing lines of merchandise as new developments and acceptance will indicate.

In 1961, more new stores will have outdoor sales areas; more stores will be added to the leased trucking program; and improvements will be made in the Order Catalog operation.

A new 80,000 square feet distributing center will be opened in Buena Park, California on May 1, 1961. It will service 80 west coast stores, providing them with the advantages of small ordering units, quick deliveries, and reduced transportation costs.

  
Merchandise Vice President

# PERSONNEL

## *Policy*

We continue to believe that capable employees are the Company's greatest asset. Our personnel policies and practices are based upon this belief.

## **EMPLOYEES and COMPENSATION**

At the year end, there were 35,000 employees, compared to 32,000 at the end of 1959.

For the year, salaries and wages, social security taxes, retirement plan contributions, and other benefits paid by the Company were \$102,702,763, or 20.0% of sales. This compares with \$92,612,052, or 19.3% of sales in 1959. There are included in these totals \$4,458,613 for 1960 and \$3,493,625 for 1959 of social security taxes; and \$907,894 for 1960 and \$1,071,108 for 1959 contributed by the Company to the retirement plan.

## **MANPOWER and PROMOTIONS**

Our expansion program made it possible to promote 110 assistant store managers to store management during the year. In addition, 266 managers were promoted to larger stores. To maintain the necessary qualified manpower for future growth, we increased the number of men-in-training from 868 at the end of 1959 to 1,003 at the end of 1960. It is of interest to note that in 1960, compared to previous years, a larger percentage of men-in-training hired during the year remained with the Company at the year end.

In 1960, the Company, because of expansion, added 2 new districts to its field organization, and 3 more new districts at the beginning of 1961. These changes made it possible to promote 5 store managers to district management, which resulted in a number of promotions of store managers.

## **TRAINING PROGRAMS**

To better train people, the Company continues to invest in various training and guidance programs. These include 30 day on-the-job orientation programs for new trainees, assistant manager conferences in the home office, sound slide film programs, merchandise presentations to store people by buyers, departmental job manuals, outside study courses, personnel rating reviews and progress reports, sales promotion meetings, and updated job descriptions.

We believe that these programs help to make it possible for people to build rewarding careers in a Company that they will be proud to work for.

## **ORGANIZATION**

It is with regret that we report the death of Warren G. Finnan, Vice President and Treasurer, on August 26, 1960. During his association with the Company since 1946, he made many contributions to its success, including the initiation and development of the Company's credit business.

In August 1960, the Board of Directors elected M. F. Ketz, formerly Vice President and Comptroller, as Financial Vice President and Comptroller. At the same time, Allan E. Lomen was elected Assistant Comptroller.

Miss Rosalie A. Mulford, Assistant Treasurer, was appointed a member of the Board of the Employees' Retirement Plan in August 1960, and subsequently elected Treasurer of that Board.

Richard W. Mayer, Assistant Treasurer and Credit Manager, was elected Treasurer by the Board of Directors at its January 1961 meeting, effective February 1, 1961.



*Personnel Vice President*



# STORE MANAGEMENT

## *Economical Operations*

Profitable operations stemming from economy in operations at high sales levels remain store management's most important task. Effective execution of Company expense budget plans and sales promotion events are constantly emphasized in the field.

## **MERCHANDISING**

On existing and expanded lines of merchandise made available by our merchandising division, it is continually the objective of store management to promote the merchandise for plus sales and profit.

To accomplish this, a good deal of attention is given to on-the-job training programs, so that we have qualified people at all times to do the job most effectively.

One of our major store management responsibilities is inventory control. This embraces the opportunity of doing a better merchandise ordering job in every store, and is being constantly emphasized in the field.

## **IMPROVING METHODS**

During 1960, we continued to open more stores with the self-service, check-out type of operation. Currently, we have 320 such stores, compared to 252 a year ago.

Stores continued to emphasize credit, including the new 30-day charge account plan which was successfully introduced in 1960. This plan principally accounts for the increase in the number of credit accounts—from 535,000 in 1959 to 647,000 in 1960.

More benefits of electronic data processing continue to accrue to the stores as the Company expands its electronic operations. This is helping stores to operate more productively through the use of automatic stock replenishment plans and simplified store accounting procedures.

## **DECENTRALIZATION**

As the Company has grown, added supervisory authority and responsibility have been given to our field organization, particularly store managers.

From time to time, added stores make it necessary to expand our field supervisory organization. This is done only when necessary to maintain close supervision as new stores are added through our store expansion program.

## **NEW AND ENLARGED STORES**

One of our important opportunities is to open some 70 to 90 new and enlarged stores every year, properly manned and stocked, on the most economical basis.

Our field organization, with the guidance of respective home office divisions, continued to do this task well without a separate store opening force.

## **LUNCHEONETTES**

The Company operates luncheonettes in 340 of its 864 stores.

During the year, 68 new and remodelled units were put into operation. A steady program of opening luncheonettes in selected stores will continue in 1961.

Grant luncheonettes pride themselves in top quality food, generous portions, fast friendly service, and budget prices.

In 1960, we served more than 67 million meals. Coffee, hamburgers, and frankfurters continue to be the top volume items. In 1960, for example, we served over 25 million cups of coffee and served over 10 million customers with hamburgers and frankfurters.

Modern equipment is used in Grant luncheonettes, with the emphasis on serving food to our customers in clean and pleasant surroundings.

  
Herbert T. Wilkinson  
Store Management Vice President

## STORE EXPANSION PROGRAM

During 1960, the Company continued its steady program of expansion. Of the 78 new stores opened, 77 were in shopping centers. In the preceding year, 85 new stores were opened, of which 81 were in shopping centers. In 1960, the program also included the enlargement or relocation of 13 stores.

At the year end, 864 stores, including 417 in shopping centers, were in operation. A year ago, 801 stores, including 340 in shopping centers, were in operation. The net increase of 63 stores is accounted for by the 78 new stores less 15 downtown stores that were permanently closed as leases expired, because their

profit potential did not warrant lease renewals.

The 1960 capital expenditures, principally for store fixtures, was \$7,995,000 compared to \$7,470,000 in 1959.


We estimate that the 1961 store expansion program expenditures will approximate those of 1960. At the year end, construction had already begun at 66 locations where new stores are expected to open in 1961.

The following schedule presents a summary of the Company's store expansion program for the past 10 years:

### TEN YEAR HISTORY OF THE COMPANY'S STORE EXPANSION PROGRAM

	<i>Number New Stores Opened</i>		<i>Number Stores Relocated or Enlarged</i>	<i>Net Grant Capital Program . . . Fixed Asset Expenditures</i>
	<i>Shopping Centers</i>	<i>Downtown Locations</i>		
1960	77	1	13	\$ 7,995,000
1959	81	4	9	7,470,000
1958	64	—	15	5,736,000
1957	65	2	19	6,478,000
1956	64	7	24	8,461,000
1955	34	27	18	7,100,000
1954	6	14	31	6,300,000
1953	7	7	41	7,200,000
1952	6	8	26	6,350,000
1951	4	4	22	6,514,000
10 yr. Totals	408	74	218	\$69,604,000

We intend to continue our successful expansion program of opening new stores mostly in shopping centers.

  
Store Expansion Vice President

# 1960 ... NEW W. T. GRANT STORES

During the year, 78 new stores were opened, 77 in shopping centers and 1 in a downtown location:

**ALBUQUERQUE, N. M.**  
Fair Plaza

**ALLENTOWN, PA.**  
Crest

**ANDOVER, MASS.**  
Shawsheen

**BARRE, VT.**  
Barre-Montpelier

**BARTOW, FLA.**  
Golden Gate

**BEDFORD, IND.**  
Shopping Center

**BEDFORD, MASS.**  
Great Road

**BRISTOL, CONN.**  
Bristol Plaza

**CAPE GIRARDEAU, MO.**  
Town Plaza

**CHAMBLEE, GA.**  
Shopping Center

**CHATTANOOGA, TENN.**  
Brainerd Village

**CHESHIRE, CONN.**  
Shopping Center

**CHESTER, PA.**  
Brookhaven

**CLEVELAND, O.**  
Puritas Park

**CLEVELAND, O.**  
Village Square

**COLTON, CALIF.**  
Mt. Vernon

**COLUMBIA, S. C.**  
Midland

**COLUMBIA, S. C.**  
Trenholm Plaza

**COLUMBUS, IND.**  
Eastbrook Plaza

**CONNERSVILLE, IND.**  
Connerville Plaza

**CRISFIELD, MD.**  
Downtown

**CUTLER RIDGE, FLA.**  
Shopping Center

**DANVILLE, VA.**  
Riverside

**DAYTON, O.**  
Airway

**DUNEDIN, FLA.**  
Douglas

**DURHAM, N. C.**  
Lakewood

**E. AURORA, N. Y.**  
Aurora Village

**E. ST. LOUIS, ILL.**  
Cahokia Village

**FAIR OAKS, CALIF.**  
Northridge

**FONTANA, CALIF.**  
Fontana Square

**FOREST PARK, GA.**  
Clayton Plaza

**FT. MYERS, FLA.**  
Boulevard Plaza

**FT. MYERS, FLA.**  
Ft. Myers Center

**FT. WAYNE, IND.**  
Northcrest

**HADDONFIELD, N. J.**  
Ellisburg Circle

**LANCASTER, O.**  
Memorial Drive

**LANCASTER, PA.**  
Wheatland Hills

**LANTANA, FLA.**  
Shopping Center

**LAS VEGAS, NEV.**  
Huntridge Village

**LEXINGTON, KY.**  
Southland

**LORAIN, O.**  
Lorain Plaza

**MASSAPEQUA, N. Y.**  
Holiday Park

**MERIDIAN, MISS.**  
Broadmoor Mart

**MESA, ARIZ.**  
Shopping Center

**MIAMISBURG, O.**  
Miamisburg Plaza

**MILFORD, CONN.**  
Connecticut Post

**MONESSEN, PA.**  
Mon-Valley

**NATICK, MASS.**  
Sherwood Plaza

**NEW BRITAIN, CONN.**  
New Britain Plaza

**NEW CASTLE, DEL.**  
Crossroads

**NEWARK, O.**  
Southgate

**NO. TONAWANDA, N. Y.**  
Mid-City

**OCALA, FLA.**  
Pine Street

**OCEANSIDE, CALIF.**  
Mission Square

**PAINESVILLE, O.**  
Shopping Center

**PALMYRA, PA.**  
Lebanon Valley

**PENNSVILLE, N. J.**  
Shopping Center

**PHOENIX, ARIZ.**  
Grandview Plaza

**PHOENIX, ARIZ.**  
West Dale

**PITTSBURGH, PA.**  
Stanton Heights

**PORTSMOUTH, VA.**  
Mid-City

**READING, PA.**  
Muhlenberg Plaza

**READING, PA.**  
Antietam Valley

**ROCHESTER, N. Y.**  
Ridgemont Plaza

**ROCKY RIVER, O.**  
Pick-N-Pay

**SAGINAW, MICH.**  
Green Acres Plaza

**SANTA BARBARA, CALIF.**  
Five Points

**SAVANNAH, GA.**  
Victory Drive

**TAMPA, FLA.**  
Hillsboro Plaza

**TAYLOR, MICH.**  
Taylortown

**TRENTON, N. J.**  
Hamilton Square

**TRENTON, N. J.**  
Lawrence

**UNION, N. J.**  
Galloping Hill

**WALLINGFORD, CONN.**  
Colony Plaza

**W. PALM BEACH, FLA.**  
Southdale

**WILMINGTON, DEL.**  
Midway

**WINSTON-SALEM, N. C.**  
Parkway Plaza

**WOONSOCKET, R. I.**  
Walnut Hill Plaza

# 1960 . . AND TEN YEARS AGO

	1960	1950	Change in Ten Years
<b>Expansion</b>			
Number of shopping center stores . . . . .	417	3	414
% of total . . . . .	48.3%	0.6%	
Number of downtown stores . . . . .	447	474	(27)
% of total . . . . .	51.7%	99.4%	
Total number of stores . . . . .	864	477	387
Number of stores relocated or enlarged in 10 years . .			218
Investment in Zeller's Ltd. . . . .	\$ 7,340,000	none	\$ 7,340,000
<b>Sales</b>			
Shopping center stores . . . . .	\$230,658,000	\$ 3,651,000	\$227,007,000
% of total . . . . .	45.0%	1.5%	
Downtown stores . . . . .	\$282,029,000	\$246,923,000	\$ 35,106,000
% of total . . . . .	55.0%	98.5%	
Total sales . . . . .	\$512,687,000	\$250,574,000	\$262,113,000
Credit sales . . . . .	\$ 62,386,000	\$ 9,878,000	\$ 52,508,000
<b>Earnings and Financial Items</b>			
Net earnings . . . . .	\$ 9,198,000	\$ 8,103,000	13.5%
Per common share . . . . .	\$1.50	\$1.58*	\$(1.08)
Working capital at year end . . . . .	\$ 83,916,000	\$ 41,712,000	\$ 42,204,000
Net fixed assets at year end . . . . .	\$ 41,174,000	\$ 32,966,000	\$ 8,208,000
Total assets . . . . .	\$185,827,000	\$ 99,574,000	\$ 86,253,000
Long-term debt . . . . .	none	\$ 3,329,000	\$ (3,329,000)
Capital in the business . . . . .	\$136,937,000	\$ 77,292,000	\$ 59,645,000
Book value per common share . . . . .	\$20.98	\$13.04*	60.9%
<b>Dividends, Shares, Stockholders</b>			
Common dividends paid . . . . .	\$ 6,866,000	\$ 3,572,000	92.2%
Per common share . . . . .	\$1.20*	\$0.75*	60.0%
Number common shares . . . . .	5,755,526	4,768,996*	986,530
Number common stockholders . . . . .	12,914	5,690	7,224
<b>Employees and Compensation</b>			
Number employees at year end . . . . .	35,000	20,000	15,000
Salaries, wages, and benefits . . . . .	\$102,703,000	\$ 41,081,000	\$ 61,622,000

( ) denotes decreases

\*Adjusted for 2 for 1 common stock split of April 1960

## HIGHLIGHTS . . . THE "NEW" W. T. GRANT COMPANY

Thanks to the steady growth of the Company over the past decade, as reflected in the 10 year comparative statement on the facing page and the facts presented below, the Grant's of today is actually a NEW general merchandise chain, with virtually unlimited potentials for service to American consumers, and for growth as one of the country's leading retailers.

- Total number of stores has increased from 477 at the end of 1950 to 864 at the end of 1960.
- Net earnings for 1960 were 13.5% above the year 1950.
- Opening of 408 Grant stores in shopping centers was the outstanding development of the decade. Shopping center stores contributed 45% of the Company's sales in 1960, compared to 1.5% in 1950.
- Earnings per common share decreased from \$1.58 in 1950 to \$1.50 in 1960, but on an increased number of shares—4,768,996 shares in 1950 and 5,755,526 shares in 1960.
- Total number of stores increased 81%, while the investment in net fixed assets increased only 24.9%. This comparison points up the fact that the Company managed to open the many stores it did in 10 years by limiting its fixed investment principally to store equipment, by reducing its investment in land and buildings to a nominal amount, and by opening stores on an economical basis.
- Dividends per share of common stock increased from 75 cents in 1950 to \$1.20 in 1960.
- An investment was made in 51% of the common stock of Zeller's Ltd., a Canadian affiliate operating stores similar to Grant's.
- Book value per common share increased from \$13.04 in 1950 to \$20.98 in 1960.
- Credit sales registered an increase of 532% in 10 years.
- Number of common stockholders increased to 12,914 in 1960 from 5,690 in 1950.

These long-term highlights point up the fact that the Company is continuing to grow steadily and soundly, and is becoming an increasingly important factor in American retailing.

The management aims to continue to expand, both in number of stores and in the breadth and diversity of lines of merchandise it offers to the public.

# ZELLER'S LIMITED

5115 Trans Island Avenue  
Montreal 29, Quebec



## Sales

Sales for 1960 reached an all-time high of \$56,995,000 which was \$3,655,000 or 6.9% above 1959.

Shopping center stores continued to produce a larger share of the Company's sales. In 1960, they contributed 23.9% of sales, compared to 19.6% in 1959.

## EARNINGS

Net earnings for the year were \$2,149,000 which, after preferred dividends, equalled \$2.59 per share, compared with \$2,009,000, or \$2.40 per share in 1959 on 750,000 shares of common stock outstanding in both years.

The 1960 net earnings represent a new all-time high, exceeding the previous high set in 1959 by 7.0%.

## DIVIDENDS AND RETAINED EARNINGS

During 1960, Zeller's Limited paid the regular dividends of \$2.25 per share on the 4½% preferred stock and regular dividends of \$1.40 per share on the common stock. In 1959 the rate for common stock shares was \$1.20.

After preferred dividends of \$205,190 and common stock dividends of \$1,050,000, the net earnings retained for use in the business, from 1960 operations, were \$894,000, compared to \$897,000 in 1959.

## FINANCIAL POSITION

Working capital amounted to \$11,918,000 at the year end, compared to \$12,341,000 at the end of 1959. During 1960, the Company sold and leased back 2 of its owned properties in the total amount of \$700,000. In 1959, the Company realized \$5,150,000 from the sale and leaseback of 9 of its store properties.

*Note: The W. T. Grant Company owns 51% of the common stock of Zeller's Limited. This subsidiary is not consolidated in the financial statements of the W. T. Grant Company.*

Merchandise inventories at cost at year end totalled \$7,688,000 or \$1,909,000 above a year ago. New and enlarged stores principally account for the increase.

Long-term debt at the year end amounted to \$2,640,000 comprising the outstanding balance of the Company's 6% Sinking Fund Debentures maturing November 1, 1977.

The net book value per share of common stock was \$21.09 at the year end compared to \$19.85 at the end of the previous year.

## CREDIT

At the year end, credit selling was used in 58 stores and will be extended to approximately 10 more operating stores in 1961. All new stores open with a credit department.

Installment receivables from customers totalled \$3,451,000 at the year end compared to \$1,110,000 at the close of 1959.

## STORE EXPANSION

During the year, Zeller's Limited continued its steady program of expansion opening 11 new stores and enlarging and modernizing 4 operating units.

At the year end, there were 80 stores in operation including 29 in shopping centers.

The 1960 capital program expenditure, primarily for fixtures, totalled \$2,215,000. The corresponding expenditure for the previous year was \$1,265,000.

In 1961 we expect to open approximately 15 new stores of which 11 are expected to be in shopping centers and 4 in downtown locations.

The year 1961 promises to be one of great challenge to the retail industry. However, we look with confidence to the long-term growth of Canada and the part Zeller's Limited can play in the expansion of the economic strength of the country.

  
President, Zeller's Limited

**STATEMENT OF OPERATIONS**

*Year ended January 31,*

	1961	1960
SALES . . . . .	\$512,686,823	\$479,997,477
Cost of merchandise sold and operating expenses . . . . .	<u>486,492,154</u>	<u>447,992,005</u>
	\$ 26,194,669	\$ 32,005,472
ADD:		
Interest earned . . . . .	139,229	98,802
Other income . . . . .	<u>560,286</u>	<u>490,854</u>
	\$ 699,515	\$ 589,656
	\$ 26,894,184	\$ 32,595,128
DEDUCT:		
Depreciation and amortization . . . . .	6,262,568	5,915,020
Interest paid . . . . .	1,518,260	1,055,401
Other deductions . . . . .	270,223	191,767
Provision for federal taxes on income—Note D . . . . .	<u>9,645,000</u>	<u>13,175,000</u>
	\$ 17,696,051	\$ 20,337,188
NET EARNINGS FOR THE YEAR . . . . .	\$ 9,198,133	\$ 12,257,940
DEDUCT:		
Cash dividends:		
On 3¾ % Cumulative Preferred Stock:		
Four quarterly dividends of 93¾ ¢ each per share . . . . .	562,507	562,506
On Common Stock—Note E:		
Four quarterly dividends of 30¢ each per share . . . . .	6,866,389	—
Four quarterly dividends of 27½ ¢ each per share . . . . .	<u>—</u>	<u>6,061,164</u>
TOTAL DIVIDENDS . . . . .	\$ 7,428,896	\$ 6,623,670
EARNINGS FOR YEAR RETAINED FOR USE IN THE BUSINESS . . . . .	\$ 1,769,237	\$ 5,634,270
ADD:		
Earnings of prior years retained for use in the business . . . . .	<u>87,641,281</u>	<u>82,007,011</u>
ACCUMULATED EARNINGS RETAINED FOR USE IN THE BUSINESS AT END OF YEAR . . . . .	<u>\$ 89,410,518</u>	<u>\$ 87,641,281</u>

*(See notes to financial statements.)*

# W. T. GRANT COMPANY . . . .

## Assets

January 31,

	1961	1960
<b>CURRENT ASSETS</b>		
Cash . . . . .	\$ 25,637,672	\$ 30,515,575
Short term securities . . . . .	2,996,826	—
Accounts receivable:		
Customers' installment accounts not sold . . . . .	811,740	2,333,286
Equity in customers' installment accounts (\$39,229,521 and \$24,405,368, respectively) sold . . . . .	3,922,956	2,440,537
	<u>\$ 4,734,696</u>	<u>\$ 4,773,823</u>
Less allowance for doubtful accounts . . . . .	2,409,441	2,203,822
	<u>\$ 2,325,255</u>	<u>\$ 2,570,001</u>
Other accounts receivable, claims, etc. . . . .	1,943,821	1,504,696
Total accounts receivable, net . . . . .	<u>\$ 4,269,076</u>	<u>\$ 4,074,697</u>
Merchandise inventories (including merchandise in transit)—at the lower of cost or market determined principally by the retail inventory method . . . . .	96,243,818	86,089,840
<b>TOTAL CURRENT ASSETS . . . . .</b>	<u><b>\$129,147,392</b></u>	<u><b>\$120,680,112</b></u>
<b>OTHER ASSETS</b>		
Investment in Zeller's Ltd., at cost—Note A . . . . .	7,339,983	7,339,983
Cash surrender value of life insurance . . . . .	3,292,245	3,169,308
Sundry receivables and deposits . . . . .	911,108	816,266
<b>TOTAL OTHER ASSETS . . . . .</b>	<u><b>\$ 11,543,336</b></u>	<u><b>\$ 11,325,557</b></u>
<b>COMMON STOCK OF W. T. GRANT COMPANY</b>		
At cost, held for Deferred Contingent Compensation Plan (33,600 and 29,000 shares, respectively)—Notes B and E.	627,329	501,710
<b>STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS—on the basis of cost</b>		
Buildings . . . . .	282,832	180,000
Furniture and fixtures . . . . .	60,441,045	57,656,137
Improvements to leased properties . . . . .	13,685,188	13,755,946
	<u>\$ 74,409,065</u>	<u>\$ 71,592,083</u>
Less allowances for depreciation and amortization . . . . .	33,628,235	32,531,521
	<u>\$ 40,780,830</u>	<u>\$ 39,060,562</u>
Land . . . . .	393,500	178,562
<b>TOTAL STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS . . . . .</b>	<u><b>\$ 41,174,330</b></u>	<u><b>\$ 39,239,124</b></u>
<b>DEFERRED CHARGES</b>		
Prepaid taxes, rents and insurance, supplies, etc. . . . .	3,334,753	2,933,025
	<u><b>\$185,827,140</b></u>	<u><b>\$174,679,528</b></u>



# STATEMENT OF FINANCIAL POSITION

## *Liabilities, Reserves, and Capital*

January 31,

	1961	1960
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses . . . . .	\$ 36,537,269	\$ 33,041,072
Federal taxes on income, less U. S. Government securities (\$6,934,532) at January 31, 1960—Note C . . . . .	8,694,088	4,731,572
<b>TOTAL CURRENT LIABILITIES . . . . .</b>	<b>\$ 45,231,357</b>	<b>\$ 37,772,644</b>
 DEFERRED FEDERAL INCOME TAX—Note D . . . . .	 372,000	 62,300
<b>RESERVES</b>		
For uninsured risks . . . . .	1,400,000	1,500,000
For repainting stores . . . . .	1,273,123	1,151,336
For deferred contingent compensation—Note B . . . . .	613,400	511,950
<b>TOTAL RESERVES . . . . .</b>	<b>\$ 3,286,523</b>	<b>\$ 3,163,286</b>
<b>CAPITAL—Notes B and E:</b>		
Capital Stock		
Cumulative Preferred—\$100 par value:		
Authorized 250,000 shares		
Issued 150,000 shares of 3¾ % series . . . . .	15,000,000	15,000,000
Common—\$2.50 par value:		
Authorized 8,500,000 shares		
Issued 5,789,126 and 5,716,986 shares, respectively . . . . .	14,472,815	14,292,465
Capital paid-in in excess of par value of shares issued . . . . .	17,545,153	16,414,568
Amounts paid by officers and employees under purchase contracts for 424,075 and 241,640 shares, respectively, of unissued Common Stock . . . . .	508,774	332,984
	<b>\$ 32,526,742</b>	<b>\$ 31,040,017</b>
Earnings retained for use in the business . . . . .	89,410,518	87,641,281
<b>TOTAL CAPITAL . . . . .</b>	<b>\$136,937,260</b>	<b>\$133,681,298</b>
	 <u><b>\$185,827,140</b></u>	 <u><b>\$174,679,528</b></u>

(See notes to financial statements.)

January 31, 1961

**Note A** - At January 31, 1961, the Company's equity in the net assets of Zeller's Limited, a 51% owned unconsolidated subsidiary, exceeded the cost of its investment in 382,500 shares of common stock of the subsidiary by approximately \$808,000. The Company's equity in Zeller's net earnings applicable to common stock (before dividends thereon for the year ended January 31, 1961) amounted to approximately \$1,001,281. During the year, the Company received dividends amounting to \$533,716 from Zeller's Limited.

**Note B** - The amount shown for the reserve for deferred contingent compensation at January 31, 1961 represents (a) to the extent that allotments are contingently distributable in Common Stock of the Company an amount equivalent to the cost to the Company of 33,600 shares of its Common Stock held for this purpose; and (b) the total of small balances remaining in participants' contingent cash allotments. For the year ended January 31, 1961, the amount charged to earnings for this plan was \$110,000.

**Note C** - In accordance with the practice followed since 1946, gross profits on installment sales are reflected in the Company's financial statements when such sales are made, whereas for federal income tax purposes, such gross profits are reported as income when collections are received.

**Note D** - As permitted by the Internal Revenue Code, the Company has adopted accelerated depreciation methods for income tax purposes, but has continued to use straight-line depreciation for financial statements. Provi-

sion has been made for deferred federal taxes on income to provide for the estimated additional future taxes which may become payable when depreciation based on accelerated methods will be less than that based on the straight-line method.

**Note E** - The 3¾% Cumulative Preferred Stock is redeemable at the Company's option in whole or in part at \$100 per share plus accrued dividends to date of redemption.

In April 1960, Common Stock was split two for one and the number of shares authorized was increased to 8,500,000. The number of common shares and dividends per common share have been adjusted to reflect such stock split.

At January 31, 1961, 587,340 shares of the Company's unissued Common Stock were reserved under the Employees' Stock Purchase Plan. Contracts for the sales of such shares, on a deferred payment basis, are made at approximate market prices at dates of contracts. Shares are issued after completion of payments.

**Note F** - At January 31, 1961, the Company was lessee of real property under 842 leases expiring subsequent to January 31, 1964 at aggregate minimum annual rentals of approximately \$19,597,000 (exclusive of taxes and other expenses payable under terms of certain of the leases). This amount includes approximately \$13,559,000 for minimum annual rentals under 564 leases which were on a percentage of sales basis with specified minimum annual rentals, but does not include any amount for 21 leases which were on a percentage of sales basis without any specified minimum annual rentals.

## AUDITORS' REPORT

ERNST & ERNST

120 BROADWAY

NEW YORK 5, N. Y.

TO THE BOARD OF DIRECTORS  
W. T. GRANT COMPANY  
NEW YORK, N. Y.

We have examined the statement of financial position of W. T. Grant Company at January 31, 1961, and the related statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position and operations present fairly the financial position of W. T. Grant Company at January 31, 1961, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N. Y.  
March 24, 1961

ERNST & ERNST

# SOURCE AND DISPOSITION OF

# FUNDS

(amounts in 000's)

WHERE FUNDS CAME FROM	1960	1959	1958	1957	1956	TOTAL 5 Years
SALES . . . . .	\$512,687	\$479,997	\$432,240	\$406,337	\$380,915	\$2,212,176
LESS:						
Merchandise costs, supplies, outside services, etc. . . . .	356,860	329,959	299,423	280,420	265,258	1,531,920
Wages and salaries, including miscellaneous benefits . . . . .	97,336	88,047	79,102	74,610	68,023	407,118
Retirement plan contributions . . . . .	908	1,071	1,008	1,200	1,138	5,325
Social security taxes on payrolls . . . . .	4,459	3,494	2,712	2,444	2,179	15,288
Rents to landlords less rentals on subleases . . . . .	21,401	19,778	18,264	16,943	15,469	91,855
Federal, state and local taxes, excluding social security taxes . . . . .	16,262	19,475	16,209	15,596	15,096	82,638
Depreciation and amortization . . . . .	6,263	5,915	5,672	5,407	4,814	28,071
<b>NET INCOME FROM OPERATIONS . . . . .</b>	<b>\$ 9,198</b>	<b>\$ 12,258</b>	<b>\$ 9,850</b>	<b>\$ 9,717</b>	<b>\$ 8,938</b>	<b>\$ 49,961</b>
Add charges against income which involve no cash outlay:						
Depreciation and amortization . . . . .	6,263	5,915	5,672	5,407	4,814	28,071
Net increase in reserves . . . . .	123	153	152	66	180	674
Deferred federal income tax . . . . .	310	62	—	—	—	372
From sale of common stock to public . . . . .	—	14,042	—	—	—	14,042
From sale of common stock to employees . . . . .	1,487	812	591	550	643	4,083
From recovery of taxes, pertaining to LIFO . . . . .	—	—	—	1,635	—	1,635
From sale of land and buildings . . . . .	—	9	—	48	494	551
<b>TOTAL FUNDS PROVIDED . . . . .</b>	<b>\$ 17,381</b>	<b>\$ 33,251</b>	<b>\$ 16,265</b>	<b>\$ 17,423</b>	<b>\$ 15,069</b>	<b>\$ 99,389</b>

## HOW FUNDS WERE USED

For dividends to stockholders . . . . .	\$ 7,429	\$ 6,624	\$ 5,553	\$ 5,527	\$ 5,496	\$ 30,629
For investment in land and buildings . . . . .	318	—	35	—	—	353
For investment in furniture and fixtures . . . . .	7,596	7,220	5,600	6,050	8,021	34,487
For investment in improvements to leased properties . . . . .	284	233	107	251	322	1,197
For investment in Zeller's Limited . . . . .	—	—	2,773	951	—	3,724
For purchase of common stock for deferred compensation plan . . . . .	126	149	57	61	76	469
For increase in sundry accounts—net . . . . .	620	154	377	118	471	1,740
Funds added to working capital . . . . .	1,008	18,871	1,763	4,465	683	26,790
<b>TOTAL FUNDS USED . . . . .</b>	<b>\$ 17,381</b>	<b>\$ 33,251</b>	<b>\$ 16,265</b>	<b>\$ 17,423</b>	<b>\$ 15,069</b>	<b>\$ 99,389</b>

## Comparative Statement of Operations

(year which ends January 31 of subsequent year)

	1960	1959	1958	1957	1956
SALES . . . . .	\$512,686,823	\$479,997,477	\$432,240,571	\$406,337,450	\$380,915,043
LESS:					
Cost of merchandise sold and operating expenses . . . . .	486,492,154	447,992,005	405,699,354	381,966,558	357,224,005
	<u>26,194,669</u>	<u>32,005,472</u>	<u>26,541,217</u>	<u>24,370,892</u>	<u>23,691,038</u>
ADD:					
Interest earned . . . . .	139,229	98,802	72,325	77,084	83,078
Other income . . . . .	560,286	490,854	348,983	283,034	216,385
	<u>26,894,184</u>	<u>32,595,128</u>	<u>26,962,525</u>	<u>24,731,010</u>	<u>23,990,501</u>
DEDUCT:					
Depreciation and amortization . . . . .	6,262,568	5,915,020	5,672,178	5,406,787	4,814,479
Interest paid . . . . .	1,518,260	1,055,401	955,215	864,098	474,424
Other deductions . . . . .	270,223	191,767	169,879	201,493	208,411
Provision for federal taxes on income . . . . .	9,645,000	13,175,000	10,315,000	9,313,000	9,555,000
	<u>9,198,133</u>	<u>12,257,940</u>	<u>9,850,253</u>	<u>8,945,632</u>	<u>8,938,187</u>
Non-recurring items . . . . .	—	—	—	771,942	—
NET EARNINGS FOR THE YEAR . . . . .	<u>9,198,133</u>	<u>12,257,940</u>	<u>9,850,253</u>	<u>9,717,574</u>	<u>8,938,187</u>
DEDUCT:					
Preferred dividends . . . . .	562,507	562,506	562,506	562,506	562,506
Common dividends . . . . .	6,866,389	6,061,164	4,990,809	4,964,518	4,933,893
ADD:					
Miscellaneous adjustments . . . . .	—	—	—	—	3,214,118
Earnings of prior years retained in the business . . . . .	87,641,281	82,007,011	77,710,073	73,519,523	66,863,617
Accumulated earnings retained, at end of year . . . . .	<u>\$ 89,410,518</u>	<u>\$ 87,641,281</u>	<u>\$ 82,007,011</u>	<u>\$ 77,710,073</u>	<u>\$ 73,519,523</u>

# Comparative Statement of Financial Position

(at January 31 of subsequent year)

	1960	1959	1958	1957	1956
<b>ASSETS:</b>					
Cash . . . . .	\$ 25,637,672	\$ 30,515,575	\$ 23,740,240	\$ 20,224,468	\$ 15,363,742
Short term securities . . . . .	2,996,826	—	—	—	—
Accounts receivable—customers' installment accounts (net) . . . . .	2,325,255	2,570,001	1,342,305	1,756,107	8,385,633
Accounts receivable—other . . . . .	1,943,821	1,504,696	1,493,436	1,339,005	1,266,581
Merchandise inventories . . . . .	96,243,818	86,089,840	75,780,905	69,762,345	61,725,684
<b>TOTAL CURRENT ASSETS</b> . . . . .	<u>129,147,392</u>	<u>120,680,112</u>	<u>102,356,886</u>	<u>93,081,925</u>	<u>86,741,640</u>
Investment in Zeller's Limited, at cost . . . . .	7,339,983	7,339,983	7,339,983	4,566,797	3,616,036
Cash surrender value of life insurance . . . . .	3,292,245	3,169,308	3,067,589	2,961,279	2,869,063
Recoverable taxes . . . . .	—	—	—	—	1,635,000
Sundry receivables and deposits . . . . .	911,108	816,266	1,098,692	902,281	908,713
Common stock of W. T. Grant Company held for deferred contingent compensation plan, at cost . . . . .	627,329	501,710	352,199	295,174	233,684
Land and buildings, depreciated . . . . .	641,326	330,756	347,101	319,854	374,979
Furniture and fixtures, depreciated . . . . .	34,993,088	33,006,397	31,044,142	30,400,992	28,994,855
Improvements to leased properties (net) . . . . .	5,539,916	5,901,971	6,318,918	6,919,922	7,425,191
Deferred charges . . . . .	3,334,753	2,933,025	2,598,224	2,524,387	2,491,750
<b>TOTAL ASSETS</b> . . . . .	<u>\$185,827,140</u>	<u>\$174,679,528</u>	<u>\$154,523,734</u>	<u>\$141,972,611</u>	<u>\$135,290,911</u>
<b>LIABILITIES, RESERVES, AND CAPITAL:</b>					
Accounts payable and accrued expenses . . . . .	\$ 36,537,269	\$ 33,041,072	\$ 30,094,914	\$ 26,850,664	\$ 23,959,603
Federal taxes on income—estimated (less U. S. Government securities) . . . . .	8,694,088	4,731,572	8,225,414	3,957,987	4,973,877
<b>TOTAL CURRENT LIABILITIES</b> . . . . .	<u>45,231,357</u>	<u>37,772,644</u>	<u>38,320,328</u>	<u>30,808,651</u>	<u>28,933,480</u>
Deferred federal income tax . . . . .	372,000	62,300	—	—	—
Reserve for uninsured risks . . . . .	1,400,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserve for repainting stores . . . . .	1,273,123	1,151,336	1,116,319	1,035,906	1,037,395
Reserve for deferred contingent compensation . . . . .	613,400	511,950	394,101	322,904	255,249
<b>CAPITAL:</b>					
Preferred 3¾% stock \$100 par value . . . . .	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Common stock . . . . .	32,526,742	31,040,017	16,185,975	15,595,077	15,045,264
Earnings retained for use in the business . . . . .	89,410,518	87,641,281	82,007,011	77,710,073	73,519,523
<b>TOTAL LIABILITIES, RESERVES, AND CAPITAL</b> . . . . .	<u>\$185,827,140</u>	<u>\$174,679,528</u>	<u>\$154,523,734</u>	<u>\$141,972,611</u>	<u>\$135,290,911</u>

1907  
1960

# HISTORICAL RECORD

(Amounts in 000's)

(Amounts in 000's)

Year	No. of Stores		Pre-Tax Earnings Per Sales Dollar		Net Earnings Per Sales Dollar		Dividends		Working Capital		Fixed Assets		Long Term Debt		Net Worth		
		Sales	Total	Per Sales Dollar	Total	Per Share	Total	% of Net	Per Share	Total	% Sales	Total	% Sales	Total	% Earned	Year	
1907	1	\$ 99	\$ 10	9.8¢	\$ 10	9.8¢	\$ .03	81.7	\$.02	\$ 16	16.5	\$ 3	3.0	\$ —	19	52.6	1907
1912	12	1,362	26	1.9	26	1.9	.01	121.9	.01	179	13.2	132	9.7	—	315	8.3	1912
1917	30	4,511	154	3.4	110	2.4	.03	39.5	.01	430	9.5	301	6.7	—	759	14.5	1917
1922	50	15,383	708	4.6	611	4.0	.14	28.2	.02	1,803	11.7	1,403	9.1	75	3,261	18.7	1922
1927	157	43,744	2,754	6.3	2,386	5.5	.56	23.8	.11	5,200	11.9	6,167	14.1	330	11,416	20.9	1927
1932	446	73,087	1,849	2.5	1,612	2.2	.34	74.2	.25	9,704	13.3	16,101	22.0	2,038	25,155	6.4	1932
1937	480	99,060	4,253	4.3	3,402	3.4	.70	69.2	.48	18,580	18.8	14,876	15.0	1,540	34,359	9.9	1937
1942	493	154,204	9,684	6.3	3,762	2.4	.72	53.5	.35	22,449	14.6	19,052	12.4	4,530	41,046	9.2	1942
1947	483	228,636	13,862	6.1	8,679	3.8	1.71	47.6	.75	42,359	18.5	23,128	10.1	4,812	63,462	13.7	1947
1948	482	233,904	13,071	5.6	7,951	3.4	1.55	37.0	.50	42,988	18.4	27,541	11.8	4,403	68,472	11.6	1948
1949	480	233,168	13,292	5.7	8,042	3.5	1.57	51.4	.75	39,729	17.0	33,094	14.2	3,303	72,383	11.1	1949
1950	477	250,574	15,938	6.4	8,103	3.2	1.58	51.0	.75	41,712	16.6	32,966	13.2	3,329	77,292	10.5	1950
1951	482	268,333	19,237	7.2	7,517	2.8	1.45	55.2	.75	41,562	15.5	35,919	13.4	2,759	80,983	9.3	1951
1952	493	283,240	18,895	6.7	7,570	2.7	1.46	55.0	.75	43,077	15.2	35,203	12.4	1,573	84,744	8.9	1952
1953	502	299,768	18,920	6.3	8,045	2.7	1.54	52.1	.75	41,956	14.0	38,189	12.7	—	89,056	9.0	1953
1954	520	317,157	18,585	5.9	8,755	2.8	1.68	48.1	.75	46,553	14.7	38,245	12.1	—	94,118	9.3	1954
1955	574	351,849	20,395	5.8	9,710	2.8	1.86	51.2	.90	57,125	16.2	33,760	9.6	—	99,480	9.8	1955
1956	632	380,915	18,493	4.9	8,938	2.3	1.69	61.5	1.00	57,808	15.2	36,795	9.7	—	103,565	8.6	1956
1957	691	406,337	18,259	4.5	9,718	2.4	1.84	56.9	1.00	62,273	15.3	37,641	9.3	—	108,305	9.0	1957
1958	739	432,241	20,165	4.7	9,850	2.3	1.86	56.4	1.00	64,037	14.8	37,710	8.7	—	113,193	8.7	1958
1959	801	479,997	25,433	5.3	12,258	2.6	2.06	54.0	1.10	82,907	17.3	39,239	8.2	—	133,681	9.2	1959
1960	864	512,687	18,843	3.7	9,198	1.8	1.50	80.8	1.20	83,916	16.4	41,174	8.0	—	136,937	6.7	1960

Note—Net earnings and dividends per share are based on shares outstanding at year end adjusted for stock splits. Dividends exclude values of rights and stock dividends.

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SLIPS, PETTI SLIPS  
GOWNS  
PAJAMAS  
ROBES, DUSTERS  
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SWIMWEAR  
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GLOVES, MITTENS  
SWIMWEAR  
POLO SHIRTS  
PLAYWEAR  
SPORTSWEAR  
RAINWEAR  
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GIRLS' SKIRTS, BLOUSES  
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HANDBAGS  
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SLACKS  
JACKETS  
COATS  
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HOSIERY  
SHOES  
SLIPPERS  
UNDERWEAR  
RAINWEAR  
WALKING SHORTS  
WORK CLOTHES  
NECKTIES  
POLO SHIRTS  
PAJAMAS  
GLOVES  
RUBBER FOOTWEAR  
WATCHES  
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SUMMER FURNITURE,  
UNFINISHED FURNITURE  
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PAINTS, BRUSHES  
CANDY, COOKIES  
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COOKING UTENSILS  
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